



Senate

General Assembly

File No. 709

February Session, 2014

Substitute Senate Bill No. 244

Senate, April 29, 2014

The Committee on Appropriations reported through SEN. BYE of the 5th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT INCREASING HOME CARE PROVIDER RATES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 17b-242 of the 2014 supplement
2 to the general statutes is repealed and the following is substituted in
3 lieu thereof (*Effective from passage*):

4 (a) The Department of Social Services shall determine the rates to be
5 paid to home health care agencies and homemaker-home health aide
6 agencies by the state or any town in the state for persons aided or
7 cared for by the state or any such town. [For the period from February
8 1, 1991, to January 31, 1992, inclusive, payment for each service to the
9 state shall be based upon the rate for such service as determined by the
10 Office of Health Care Access, except that for those providers whose
11 Medicaid rates for the year ending January 31, 1991, exceed the median
12 rate, no increase shall be allowed. For those providers whose rates for
13 the year ending January 31, 1991, are below the median rate, increases
14 shall not exceed the lower of the prior rate increased by the most
15 recent annual increase in the consumer price index for urban

16 consumers or the median rate. In no case shall any such rate exceed the
17 eightieth percentile of rates in effect January 31, 1991, nor shall any rate
18 exceed the charge to the general public for similar services. Rates
19 effective February 1, 1992, shall be based upon rates as determined by
20 the Office of Health Care Access, except that increases shall not exceed
21 the prior year's rate increased by the most recent annual increase in the
22 consumer price index for urban consumers and rates effective
23 February 1, 1992, shall remain in effect through June 30, 1993. Rates
24 effective July 1, 1993, shall be based upon rates as determined by the
25 Office of Health Care Access except if the Medicaid rates for any
26 service for the period ending June 30, 1993, exceed the median rate for
27 such service, the increase effective July 1, 1993, shall not exceed one
28 per cent. If the Medicaid rate for any service for the period ending June
29 30, 1993, is below the median rate, the increase effective July 1, 1993,
30 shall not exceed the lower of the prior rate increased by one and one-
31 half times the most recent annual increase in the consumer price index
32 for urban consumers or the median rate plus one per cent.] The
33 Commissioner of Social Services shall establish a fee schedule for home
34 health services to be effective on and after July 1, 1994. The
35 commissioner may annually modify such fee schedule if such
36 modification is needed to ensure that the conversion to an
37 administrative services organization is cost neutral to home health care
38 agencies and homemaker-home health aide agencies in the aggregate
39 and ensures patient access. Utilization may be a factor in determining
40 cost neutrality. The commissioner shall increase the fee schedule for
41 home health services provided under the Connecticut home-care
42 program for the elderly established under section 17b-342, effective
43 July 1, 2000, by two per cent over the fee schedule for home health
44 services for the previous year. The commissioner shall increase the fee
45 schedule for the Connecticut home-care program for the elderly and
46 the pilot program to provide home care services to persons with
47 disabilities, established pursuant to section 17b-617, effective July 1,
48 2014, by not less than one per cent. The commissioner may increase
49 any fee payable to a home health care agency or homemaker-home
50 health aide agency upon the application of such an agency evidencing

51 extraordinary costs related to (1) serving persons with AIDS; (2) high-
52 risk maternal and child health care; (3) escort services; or (4) extended
53 hour services. In no case shall any rate or fee exceed the charge to the
54 general public for similar services. A home health care agency or
55 homemaker-home health aide agency which, due to any material
56 change in circumstances, is aggrieved by a rate determined pursuant
57 to this subsection may, within ten days of receipt of written notice of
58 such rate from the Commissioner of Social Services, request in writing
59 a hearing on all items of aggrievement. The commissioner shall, upon
60 the receipt of all documentation necessary to evaluate the request,
61 determine whether there has been such a change in circumstances and
62 shall conduct a hearing if appropriate. The Commissioner of Social
63 Services shall adopt regulations, in accordance with chapter 54, to
64 implement the provisions of this subsection. The commissioner may
65 implement policies and procedures to carry out the provisions of this
66 subsection while in the process of adopting regulations, provided
67 notice of intent to adopt the regulations is published in the Connecticut
68 Law Journal not later than twenty days after the date of implementing
69 the policies and procedures. Such policies and procedures shall be
70 valid for not longer than nine months.

71 Sec. 2. Section 17b-343 of the general statutes is repealed and the
72 following is substituted in lieu thereof (*Effective from passage*):

73 The Commissioner of Social Services shall establish annually the
74 maximum allowable rate to be paid by agencies for homemaker
75 services, chore person services, companion services, respite care, meals
76 on wheels, adult day care services, case management and assessment
77 services, transportation, mental health counseling and elderly foster
78 care. [, except that the maximum allowable rates in effect July 1, 1990,
79 shall remain in effect during the fiscal years ending June 30, 1992, and
80 June 30, 1993.] The Commissioner of Social Services shall prescribe
81 uniform forms on which agencies providing such services shall report
82 their costs for such services. Such rates shall be determined on the
83 basis of a reasonable payment for necessary services rendered. [The
84 maximum allowable rates established by the Commissioner of Social

85 Services for the Connecticut home-care program for the elderly
 86 established under section 17b-342 shall constitute the rates required
 87 under this section until revised in accordance with this section.] The
 88 Commissioner of Social Services shall establish a fee schedule, to be
 89 effective on and after July 1, 1994, for homemaker services, chore
 90 person services, companion services, respite care, meals on wheels,
 91 adult day care services, case management and assessment services,
 92 transportation, mental health counseling and elderly foster care. The
 93 commissioner [may] shall annually increase [any fee] fees in the fee
 94 schedule based on an increase in the cost of services. The
 95 commissioner shall increase the fee schedule effective July 1, 2000, by
 96 not less than five per cent, for adult day care services. The
 97 commissioner shall increase the fee schedule effective July 1, 2011, by
 98 four dollars per person, per day for adult day care services. The
 99 commissioner shall increase the fee schedule for the Connecticut
 100 home-care program for the elderly, established pursuant to section
 101 17b-342, and the pilot program to provide home care services to
 102 persons with disabilities, established pursuant to section 17b-617, by
 103 not less than one per cent effective July 1, 2014. Nothing contained in
 104 this section shall authorize a payment by the state to any agency for
 105 such services in excess of the amount charged by such agency for such
 106 services to the general public.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	17b-242(a)
Sec. 2	<i>from passage</i>	17b-343

APP *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note**State Impact:**

Agency Affected	Fund-Effect	FY 15 \$	FY 16 \$
Department of Social Services	GF - Cost	3,250,000	3,250,000

Municipal Impact: None

Explanation

The bill requires the Department of Social Services to increase the fee schedule for the Connecticut Home Care (CHC) program by 1%, effective July 1, 2014. Based on total projected program expenditures of \$325 million in FY 15, a 1% rate increase would cost an additional \$3,250,000 in FY 15. sHB 5030, the revised FY 15 budget, as favorably reported by the Appropriations Committee, contained total funding of \$3,250,000 for a 1% rate increase.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 244*****AN ACT INCREASING HOME CARE PROVIDER RATES.*****SUMMARY:**

This bill requires the social services commissioner to increase the fee schedule for services provided under the Connecticut Home Care Program for Elders (CHCPE) and the pilot program to provide home-care services to persons with disabilities by at least 1%, effective July 1, 2014.

The bill also requires, rather than allows, the commissioner to annually increase the fees for the following services based on their cost: homemaker, chore person, companion, respite care, meals-on-wheels, adult day care, case management and assessment, transportation, mental health counseling, and elderly foster care.

The bill also removes obsolete language regarding the payment rate for home-based services in the 1990s.

EFFECTIVE DATE: Upon passage

BACKGROUND***Program Descriptions***

CHCPE is a Medicaid waiver and state-funded program that provides home- and community-based services for eligible individuals age 65 and older who are institutionalized or at-risk of institutionalization. The pilot program to provide home-care services to disabled persons is a state-funded program that provides the same services available under CHCPE to people age 18 to 64 who are institutionalized or at-risk of institutionalization.

Legislative History

The Senate referred the bill (File 174) to the Human Services Committee, which reported it favorably without any changes. The Senate then referred the bill to the Appropriations Committee, which reported a substitute that (1) lowers the minimum payment increase for services from 2% to 1% and (2) eliminates the additional rate increase in FY 16.

COMMITTEE ACTION

Aging Committee

Joint Favorable

Yea 12 Nay 0 (03/11/2014)

Human Services Committee

Joint Favorable

Yea 17 Nay 0 (04/10/2014)

Appropriations Committee

Joint Favorable Substitute

Yea 49 Nay 0 (04/22/2014)